

**STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE SERVICES**

In the matter of:

Shannon Scott

Respondent

Enforcement Case No. 04-2670

Case No. 05-492-L

Docket No. 2005-607

CONSENT ORDER AND STIPULATION

**Issued on April 14, 2006
by Linda A. Watters, Commissioner**

A. FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. At all pertinent times Shannon Scott ("Scott") was a First Mortgage Registrant. License number FR-0858. Scott also holds a real estate broker license under the name Shannon Scott.
2. Scott is the owner and president of First Realty Mortgage Corp. d/b/a Mortgage 2000 Funding Group Inc. ("Mortgage 2000"). Mortgage 2000 is a licensed real estate broker.
3. Scott's office is located at 31513 Northwestern Highway; Suite 3210; Farmington Hills, Michigan 48334.
4. An investigation of Scott was conducted beginning October 28, 2003 and concluding November 13, 2003.
5. Scott's mortgage broker registration allows her to act as a mortgage broker for not more than 1 licensee or registrant. Scott designated First Class Financial Corporation ("First Class") as the licensee to whom she would broker mortgage loans.
6. Scott brokered the following mortgage loan files to companies other than "First Class". The following is a list of mortgage loan files which Scott brokered to other companies:

<u>Borrower</u>	<u>Closing Date</u>	<u>Lender</u>
XXXXXXXXXXXXXXXXXX	02/25/03	World Savings
XXXXXXXXXXXXXXXXXX	07/15/01	BNC Mortgage, Inc
XXXXXXXXXXXXXXXXXX	01/20/03	Option One Mortgage Corporation

XXXXXXXXXXXXXXXXXX	07/21/03	World Savings
--------------------	----------	---------------

7. Scott violated MCL 445.1652, section 2(1) of the MBLSLA by brokering mortgage loans to more than 1 licensee or 1 registrant.

COUNT II

8. Mortgage 2000 is not licensed as a mortgage broker, and therefore cannot receive compensation as a mortgage broker. Mortgage 2000 is allowed to act as a mortgage broker in connection with a real estate sale or lease if Mortgage 2000 receives no additional compensation beyond the customary real estate sales commission.
9. Mortgage 2000 received compensation as a mortgage broker not in relation to a real estate sale.
10. Pursuant to Scott's registration she is required to broker mortgage loans only to First Class.
11. Scott brokered the following loans under the name of Mortgage 2000 and received compensation for the mortgage brokerage services.

<u>Borrower</u>	<u>Closing Date</u>	<u>Compensation Received</u>	<u>Fees</u>	<u>Lender</u>
XXXXXXXXXX	09/29/03	\$2,305.00	Loan origination, processing fee, App. fee	New Century Mortgage Corp.
XXXXXXXXXX	07/28/03	\$2,796.00	Loan origination fee, processing fee	First Class Financial Corp.
XXXXXXXXXX	05/06/03	\$505.00	App. fee, processing fee	Chapel Mortgage Corp.
XXXXXXXXXX	09/06/02	\$405.00	App. fee, processing fee	Chapel Mortgage Corp.
XXXXXXXXXX	12/26/02	\$642.00	Mortgage Broker fee	World Savings
XXXXXXXXXX	08/21/02	\$2,125.00	Loan disc, App. fee, doc prep fee	Chapel Mortgage Corp.
XXXXXXXXXX	04/15/03	\$4,257.50	Loan orig., loan	Royal Amer.

			disc., broker fee, processing fee, broker service fee	Mortgage Inc.
XXXXXXXXX	06/17/03	\$2,695.00	Loan disc, app fee, processing fee	Chapel Mortgage Corp.
<u>Total</u>		<u>\$15,785.50</u>		

12. By brokering the aforementioned loans Scott violated MCL 445.1652, section 2(1) of the MBLSLA.

COUNT III

13. Scott charged a borrower more than the actual expense incurred for the following appraisal:

<u>Borrower</u>	<u>Closing Date</u>	<u>Amount Charged</u>	<u>Actual Amount</u>	<u>Overcharge</u>
XXXXXXXXX	01/20/03	\$300.00	\$275.00	\$25.00

14. By overcharging for the appraisal report Scott violated MCL 445.1673, section 23(1) of the MBLSLA.

COUNT IV

15. Scott failed to list her address on the appraisal notice in the following loan files:

<u>Borrower</u>	<u>Application Date</u>
XXXXXXXXX	10/10/02
XXXXXXXXX	02/25/02

16. By failing to include her address on the appraisal notices, Scott violated section 202.5a(a)(2)(i) of Regulation B of the Equal Credit Opportunity Act and therefore violated MCL 445.1672, section 22 of the MBLSLA.

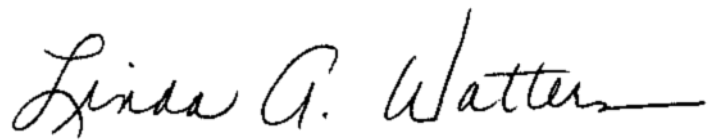
B. ORDER

Based on the findings of fact and conclusions of law above and Respondent's stipulation, it is ORDERED that:

1. Respondent shall immediately CEASE and DESIST from operating in such a manner as to violate 445.1652 section 2(1), 445.1673 section 23(1), and 445.1672 section 22 of the MBLSLA.

2. Respondent shall file an application for licensure as a mortgage broker within thirty (30) days of the date of entry of this order.

3. Respondent shall pay to the State of Michigan, through OFIS, the sum of fifteen hundred dollars (\$1,500.00) as a market conduct fee to reimburse OFIS for the time and expense of resolving this matter. The market conduct fee is due within thirty (30) days of the date of entry of this order and failure to timely pay the fee will result in **automatic suspension** of Respondent's license/registration until such time as the fee is paid in full.

A handwritten signature in black ink, reading "Linda A. Watters", with a horizontal line extending to the right.

Linda A. Watters, Commissioner